

TITLE 872 INDIANA BOARD OF ACCOUNTANCY

NOTE: Under IC 25-2.1-2-1, the name of the Indiana State Board of Public Accountancy is changed to Indiana Board of Accountancy, effective January 1, 1994.

ARTICLE 1. GENERAL PROVISIONS

Rule 0.5. Definitions

872 IAC 1-0.5-1 Definitions

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-1-7

Sec. 1. The following definitions apply throughout this title:

- (1) "Accounting internship" means work experience in accounting obtained with an employer for credit from a university or college.
- (2) "AICPA" means American Institute of Certified Public Accountants.
- (3) "AP" means accounting practitioner.
- (4) "Board" means the Indiana board of accountancy.
- (5) "Bookkeeping" means the recording, classifying, and summarizing of financial transactions of an entity from original documents for the purpose of preparing financial statements for internal use of management.
- (6) "Corporate internal audit position" means work experience in the examination and evaluation of the adequacy and effectiveness of an organization's accounting and financial records and its system of internal control.
- (7) "Course" includes the following:
 - (A) Seminars.
 - (B) Workshops.
 - (C) Panel discussions.
 - (D) Technical sessions.
 - (E) Similar terms to describe organized instruction.
- (8) "CPA" means certified public accountant.
- (9) "CPE" means continuing professional education.
- (10) "Financial statements" means the results of arranging fiscal transactions into a form in order to provide readers with information.
- (11) "Firm" has the meaning as set forth in IC 25-2.1-1-7. The term includes entities organized under the laws of Indiana or any other state, including limited liability partnerships.
- (12) "Full-time employment" means a position in which the individual:
 - (A) works at least forty (40) hours per week; or
 - (B) if a teaching position, carries a teaching load of at least twelve (12) semester hours or the equivalent.
- (13) "He", "his", or "him", the masculine pronouns, includes the feminine and the neuter gender.
- (14) "Hours", used without a modifier, means CPE credit hours.
- (15) "PA" means public accountant.
- (16) "Public communication" means a communication made in identical form to multiple persons or to the world at large, as by television, radio, motion picture, newspaper, pamphlet, mass mailing, letterhead, business card, or directory.

Any provision in this article that requires a specific number of semester credit hours shall be converted to the equivalent if a different grading period is used at the college or university. Unless it is established that a different equivalency applies, it shall be presumed that the correct equivalency is two (2) semester hours for every three (3) quarter hours. (*Indiana Board of Accountancy; 872 IAC 1-0.5-1; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1925; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1029; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2342; errata filed Sep 14, 1994, 2:50 p.m.: 18 IR 269; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3932; errata filed Jul 28, 1998, 10:59 a.m.: 21 IR 4537; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1650; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

Rule 1. Requirements for Certification, Licensure, and Registration

872 IAC 1-1-1 Power to grant licenses; prohibited activities of unlicensed persons (Repealed)

Sec. 1. *(Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1044; errata, 8 IR 1046)*

872 IAC 1-1-2 Applications for examination or registration; use of forms; filing deadlines

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1

Sec. 2. Applications must be made on forms authorized by the Board. Reproductions will not be accepted. The forms include detailed instructions which, if followed, should furnish the Board or the Board's designee with sufficient information to enable it to pass upon the applicant's eligibility for examination or registration.

The Board or the Board's designee may require applicants to provide photographs, certified transcripts of education achievement, and other relevant data.

Examinations are ordinarily held in May and November of each year; and applications for the May examination, complete in all respects, must be filed by the preceding March 1, and the applications for the November examination, complete in all respects, must be filed by the preceding September 1. *(Indiana Board of Accountancy; Rule 69-1,2; filed Jun 30, 1978, 9:54 am: 1 IR 394; filed Aug 18, 1983, 3:20 pm: 6 IR 1927; filed May 1, 1984, 12:50 pm: 7 IR 1538; filed Mar 20, 1985, 3:25 pm: 8 IR 1030; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824)*

872 IAC 1-1-3 Age of applicant (Repealed)

Sec. 3. *(Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352)*

872 IAC 1-1-4 Residence requirements (Repealed)

Sec. 4. *(Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352)*

872 IAC 1-1-5 Character references (Repealed)

Sec. 5. *(Repealed by Indiana Board of Accountancy; filed Aug 28, 1986, 3:20 pm: 10 IR 72)*

872 IAC 1-1-6 Educational requirements; transcripts (Repealed)

Sec. 6. *(Repealed by Indiana Board of Accountancy; filed Aug 3, 2001, 4:34 p.m.: 24 IR 3990)*

872 IAC 1-1-6.1 Education requirements

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.1. Compliance with IC 25-2.1-3-2, regarding educational requirements for first time examination applicants, will be met by obtaining at least one hundred fifty (150) semester hours of college education, including a baccalaureate or higher degree from an accredited college or university. As part of the one hundred fifty (150) semester hours, an applicant must meet any one (1) of the following conditions:

(1) Earned a graduate degree from a college or university that is accredited by an accrediting organization as included in section 6.3 of this rule, and completed:

(A) at least twenty-four (24) semester hours in accounting at the undergraduate level or fifteen (15) semester hours in accounting at the graduate level; and

(B) at least twenty-four (24) semester hours in business administration and economics courses, other than accounting courses, at the undergraduate or graduate level.

The business administration courses may include up to six (6) hours of business and tax law courses and up to six (6) hours of computer science courses. The accounting hours must include courses covering the subjects of financial accounting, auditing, taxation, and managerial accounting. If the accounting hours are a mixture of graduate and undergraduate hours, the higher number of required hours applies.

(2) Earned a baccalaureate degree from a college or university that is accredited by an accrediting organization, as included in section 6.3 of this rule, and completed:

(A) at least twenty-four (24) semester hours in accounting at the undergraduate or graduate level, including courses covering the subjects of financial accounting, auditing, taxation, and managerial accounting; and

(B) at least twenty-four (24) semester hours in business administration and economics courses other than accounting courses.

The business administration courses may include up to six (6) hours of business and tax law courses and up to six (6) hours of computer science courses.

(Indiana Board of Accountancy; 872 IAC 1-1-6.1; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3933; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Aug 3, 2001, 4:34 p.m.: 24 IR 3989)

872 IAC 1-1-6.2 Graduation; accreditation

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.2. An applicant is considered as graduating from an accredited educational institution if, at the time the educational institution grants the applicant's degree, it is accredited as outlined in sections 6.1 and 6.3 of this rule. *(Indiana Board of Accountancy; 872 IAC 1-1-6.2; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3934; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824)*

872 IAC 1-1-6.3 Accepted colleges, universities, and degrees

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.3. (a) A college or university is recognized by the board if it is accredited by one (1) of the following regional accrediting associations:

(1) Middle States Association of Colleges and Schools/Commission on Higher Education.

(2) New England Association of Schools and Colleges.

(3) North Central Association of Schools and Colleges.

(4) Northwest Association of Schools and Colleges.

(5) Southern Association of Colleges and Schools/Commission on Colleges.

(6) Western Association of Schools and Colleges/Accrediting Commission for Senior Colleges.

(b) The colleges and universities recognized by the board under subsection (a), which do not include candidates for accreditation, are listed in the following documents, which are incorporated by reference as if fully set out in this rule:

(1) Directory Accredited Membership and Candidates for Accreditation 1997-98, published by the Commission on Higher Education Middle States Association of Colleges and Schools, 3624 Market Street, 2nd Floor Annex, Philadelphia, Pennsylvania 19104, copyright 1997.

(2) New England Association of Schools and Colleges Membership Roster 1997, published by the New England Association of Schools and Colleges, Inc., 209 Burlington Road, Bedford, Massachusetts 01730-1433.

(3) 1997 Directory of CIHE Affiliated Institutions, NCA Quarterly, Volume 72, Number 2, Fall 1997, published by the North Central Association of Colleges and Schools, 30 North LaSalle, Suite 2400, Chicago, Illinois 60602.

(4) Directory of Accredited Postsecondary Institutions, July 1997, published by Commission on Colleges Northwest Association of Schools and Colleges, 11130 NE 33rd Place, Suite 120, Bellevue, Washington 98004.

(5) Commission on Colleges July 1997 Member List, published by Southern Association of Colleges and Schools/Commission on Colleges, 1866 Southern Lane, Decatur, Georgia 30033-4500.

(6) Directory of Accredited Institutions Candidates for Accreditation, 1997-1998, published by Western Association of Schools and Colleges, Inc., 533 Airport Boulevard, Suite 200, Burlingame, California 94010.

(c) Degrees from foreign universities, if they substantially comply with the requirements of section 6 or 6.1 of this rule and IC 25-2.1-3-2, will be deemed to meet the requirements established by IC 25-2.1-3-2.

(d) The applicant's claim to college or university credits must be confirmed by an official transcript of credit issued by the institution. The transcript must show that the degree has been conferred and must bear the official seal of the college or university, as well as the official signature of the registrar.

(e) The applicant is responsible for all such material being in possession of the board or the board's designee by the deadline for filing applications. Incomplete or late applications will be disapproved by the board. (*Indiana Board of Accountancy; 872 IAC 1-1-6.3; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3934; errata filed Jul 28, 1998, 10:59 a.m.: 21 IR 4537; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-6.4 Accredited degree equivalency requirements

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.4. A graduate of a four (4) year degree-granting college or university not accredited at the time the applicant's degree was received or at the time the application was filed will be deemed to be a graduate of an accredited educational institution if:

(1) the applicant's degree is equivalent to a degree from an accredited educational institution, as defined in section 6.3 of this rule, and that fact is certified by a credentials certification service;

(2) an accredited institution defined in section 6.3 of this rule accepts the applicant's nonaccredited baccalaureate degree for admission to a graduate business degree program; or

(3) the:

(A) applicant satisfactorily completes at least fifteen (15) semester hours, or the equivalent, in postbaccalaureate education at the accredited educational institution, of which at least nine (9) semester hours, or the equivalent, shall be in accounting; and

(B) accredited educational institution certifies that the applicant is in good standing for the continuation in the graduate program, or has maintained a grade point average in these courses that is necessary for graduation.

(*Indiana Board of Accountancy; 872 IAC 1-1-6.4; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3935; errata filed Jul 28, 1998, 10:59 a.m.: 21 IR 4537; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-6.5 Acceptance of degrees; previously not accredited

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.5. If an educational institution was not accredited at the time an applicant's degree was received, but is so accredited at the time the application is filed with the board, the institution will be deemed to be accredited for the purpose of section 6.2 of this rule, provided that it certifies that the applicant's total educational program would qualify the applicant for graduation with a baccalaureate degree during the time the institution has been accredited. (*Indiana Board of Accountancy; 872 IAC 1-1-6.5; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3935; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-6.6 Courses taken at nonaccredited institutions

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3-2; IC 25-2.1-6

Sec. 6.6. If an applicant's degree was received at an accredited educational institution pursuant to section 6.3 or 6.4 of this rule, but the educational program that was used to qualify the applicant's major included courses taken at nonaccredited institutions, either before or after graduation, such courses will be deemed to have been taken at the accredited institution from which the applicant's degree was received, provided the accredited institution either:

(1) has accepted such courses by including them in its official transcript; or

(2) has certified to the board that it will accept such courses for credit toward graduation.

(*Indiana Board of Accountancy; 872 IAC 1-1-6.6; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3935; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-7 Special written examination for waiver of educational requirement (Repealed)

Sec. 7. (*Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352*)

872 IAC 1-1-8 Experience requirements; credit for types of experience

Authority: IC 25-2.1-2-15

Affected: IC 20-12-61; IC 20-12-62; IC 25-2.1-3-10

Sec. 8. (a) This section and sections 8.2 through 8.5 of this rule implement the requirements in IC 25-2.1-3-10 for experience to be obtained by applicants for certified public accountant certificates before the certificate or license may be issued by the board. The experience requirements are twenty-four (24) months of full-time employment in the following positions:

- (1) As an employee or an accounting intern engaged in an accounting position in a firm (as that term is defined in 872 IAC 1-0.5-1(11)).
- (2) As an employee in a financial or accounting position in industry, government, or a nonprofit organization.
- (3) As an employee in an advisory and/or consulting services position related to one (1) or more of the following activities:
 - (A) Financial.
 - (B) Accounting.
 - (C) Operational.
- (4) As an instructor teaching accounting in a college or university (four (4) year institutions or junior colleges).
- (5) As an instructor teaching accounting in an institution created under IC 25-12-61 [*sic.*, IC 20-12-61] or private school registered under IC 20-12-62.

(b) Clerical functions shall not count under this section toward meeting the experience requirements. Clerical functions are positions that do not have accounting significance, including doing merely mathematical calculations, account analysis (looking into accounting books for specific information already recorded), and merely recording information in the general ledger (as opposed to compiling the information). Positions that partly qualify under this section and partly do not qualify shall be treated under this method provided for in section 8.2 of this rule with the part of the position that does not qualify under this section being treated as if it were part-time employment.

(c) Experience in fractions of months will be counted.

(d) An applicant may combine the types of experience described in subsection (a) of this rule. To do so, the applicant must obtain a total of twenty-four (24) months of experience. (*Indiana Board of Accountancy; Rule 69-1,8; filed Jun 30, 1978, 9:54 a.m.: 1 IR 396; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1928; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1033; filed Aug 28, 1986, 3:20 p.m.: 10 IR 65; filed Nov 28, 1988, 5:32 p.m.: 12 IR 922; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2343; errata filed Sep 14, 1994, 2:50 p.m.: 18 IR 269; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1651; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 4, 2002, 9:28 a.m.: 25 IR 2518*)

872 IAC 1-1-8.1 Combining types of experience (Repealed)

Sec. 8.1. (*Repealed by Indiana Board of Accountancy; filed Apr 4, 2002, 9:28 a.m.: 25 IR 2520*)

872 IAC 1-1-8.2 Part-time work as experience

Authority: IC 25-2.1-2-15

Affected: IC 20-12-61; IC 20-12-62; IC 25-2.1-3-10

Sec. 8.2. Part-time employment that qualifies for experience credit will be converted to the full-time equivalent, for example, working half time for eight (8) months will count as four (4) months of experience and teaching six (6) semester hours will count as one (1) quarter year of experience. (*Indiana Board of Accountancy; 872 IAC 1-1-8.2; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1653; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-8.3 Experience verification

Authority: IC 25-2.1-2-15

Affected: IC 20-12-61; IC 20-12-62; IC 25-2.1-3-10

Sec. 8.3. (a) An applicant's experience in a particular position meets the requirements in IC 25-2.1-3-10 if the work is verified by a licensee who:

- (1) employed the applicant or a legal entity controlled by that individual employed the applicant;

- (2) worked for the same employer as the applicants;
- (3) reviewed the accounting work of the applicant on a periodic basis in the capacity of an outside accounting firm, a government agency, or some similar capacity; or
- (4) otherwise has direct knowledge of the work performed by the applicant.

(b) Any licensee who has been requested by an applicant to submit to the board verification of the applicant's experience and has refused to do so shall, upon request by the board, explain in writing or in person the basis for such refusal. (*Indiana Board of Accountancy; 872 IAC 1-1-8.3; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1653; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 4, 2002, 9:28 a.m.: 25 IR 2519*)

872 IAC 1-1-8.4 Advanced degree as experience

Authority: IC 25-2.1-2-15

Affected: IC 20-12-61; IC 20-12-62; IC 25-2.1-3-10

Sec. 8.4. (a) A master's degree in accounting or business administration from a college or university recognized by the board may be substituted for twelve (12) months of accounting experience for any person who was a first time examination candidate prior to January 1, 2000.

(b) A doctorate degree in accounting or business administration from a college or university recognized by the board may be substituted for twelve (12) months of accounting experience.

(c) For purposes of this section, an advanced degree shall be calculated as twelve (12) months of experience under section 8 of this rule.

(d) An applicant may not receive experience credit from more than one (1) advanced degree. (*Indiana Board of Accountancy; 872 IAC 1-1-8.4; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1653; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 4, 2002, 9:28 a.m.: 25 IR 2519*)

872 IAC 1-1-8.5 Experience required on application and board verification

Authority: IC 25-2.1-2-15

Affected: IC 20-12-61; IC 20-12-62; IC 25-2.1-3-10

Sec. 8.5. (a) To apply for a certified public accountant certificate, an applicant, who has previously met the applicable education and examination requirements, shall file an application on a form provided by the board, including the employer's name and address, contact person, and a job description for all employment for which experience credit under this section is claimed. If experience credit is claimed for an advanced degree under section 8.4 of this rule, the applicant shall also identify the institution from which the degree was conferred and the date it was conferred and shall include an official transcript from the college or university that conferred the degree.

(b) Subsequent to the receipt of an application under subsection (a), the board will seek verification of employment from all employers and may seek such additional information from the applicant and employer or third parties as is necessary to determine whether the applicant meets the experience requirements established in this section. (*Indiana Board of Accountancy; 872 IAC 1-1-8.5; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1654; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-9 Requirements for examination

Authority: IC 25-2-1-3

Affected: IC 25-2-1-4

Sec. 9. An applicant wishing to take the examination must:

(1) complete the application provided for in section 2 of this rule; and

(2) pay the applicant's cost of purchasing the examination, payable to the examination service.

(*Indiana Board of Accountancy; Rule 69-1,9; filed Jun 30, 1978, 9:54 a.m.: 1 IR 396; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1928; filed May 1, 1984, 12:50 p.m.: 7 IR 1539; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1033; filed Jul 6, 1995, 12:00 p.m.: 18 IR 2784; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-9.5 Degree required

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1

Sec. 9.5. Notwithstanding sections 2 and 6 of this rule and any other provisions of this title that may be to the contrary, applicants may take the certified public accountant examination prior to meeting the education requirements. However, if an applicant who has taken the examination before meeting the education requirements fails to satisfactorily complete degree requirements within sixty (60) days after taking the examination, the applicant's examination is invalid. This section shall only apply until January 1, 2000. (*Indiana Board of Accountancy; 872 IAC 1-1-9.5; filed Feb 24, 1997, 4:00 p.m.: 20 IR 1736; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-10 Application; fees

Authority: IC 25-2.1-2-15

Affected: IC 4-21.5-3-1; IC 25-2.1

Sec. 10. (a) Applications to take the May examination must be filed by the preceding March 1. Application to take the November examination must be filed by the preceding September 1. If March 1 or September 1 is a Saturday, a Sunday, a legal holiday under state statute, or a day that the Indiana professional licensing agency's offices are closed during regular business hours, the deadline shall be the first day thereafter that is not a Saturday, a Sunday, a legal holiday under state statute, or a day that the Indiana professional licensing agency's offices are closed during regular business hours. The date the application is filed shall be calculated in the manner provided for in IC 4-21.5-3-1(f). Applicants will be notified of their eligibility to sit for the exam.

(b) All fees are nonrefundable and nontransferable. The following is a schedule of fees adopted by the board:

(1) Transfer of grades, forty dollars (\$40).

(2) CPA certificate by reciprocity, fifty dollars (\$50).

(3) Triennial certificate of registration for CPAs, PAs, and APs, forty-five dollars (\$45).

(4) For restoration of an expired triennial certificate of registration for CPAs, PAs, and APs, fifty dollars (\$50), plus all unpaid renewal fees.

(5) Triennial permit to practice for firms, twenty dollars (\$20).

(6) For restoration of an expired triennial permit to practice for firms, fifty dollars (\$50), plus all unpaid renewal fees.

(c) Notwithstanding subsection (b)(3), a fee for an individual initially registered in the:

(1) second year of a triennial registration period shall be thirty dollars (\$30); and

(2) third year of the triennial registration period shall be fifteen dollars (\$15).

(d) Failure of an applicant to pay the initial registration fee will cause the application to be terminated one (1) year after the board's action granting registration.

(e) Should an applicant pay the initial registration fee after the first renewal deadline for all licensees following the applicant's approval for licensure, the applicant must pay the renewal fee in addition to the initial registration fee in order to become licensed. (*Indiana Board of Accountancy; Rule 69-1, 10; filed Jun 30, 1978, 9:54 a.m.: 1 IR 396; filed Feb 15, 1980, 3:05 p.m.: 3 IR 639; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1928; filed May 1, 1984, 12:50 p.m.: 7 IR 1540; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1033; filed Aug 28, 1986, 3:20 p.m.: 10 IR 65; filed Aug 6, 1990, 4:30 p.m.: 13 IR 2135; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2345; errata filed Jul 28, 1994, 4:00 p.m.: 17 IR 2891; filed Jul 6, 1995, 12:00 p.m.: 18 IR 2784; filed Jun 14, 1996, 3:00 p.m.: 19 IR 3110; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1654; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824; filed Apr 4, 2002, 9:28 a.m.: 25 IR 2520*)

872 IAC 1-1-11 Notice by mail

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1

Sec. 11. It is the policy of the Board or the Board's designee to mail all correspondence and notices to candidates and registrants at their last known address of record on file with the Board or the Board's designee. Failure to receive such correspondence or notices does not relieve the candidate or registrant of the obligation to pay application or renewal fees. (*Indiana Board of Accountancy; Rule 69-1, 11; filed Jun 30, 1978, 9:54 am: 1 IR 397; filed Aug 18, 1983, 3:20 pm: 6 IR 1929; filed May 1, 1984, 12:50 pm: 7 IR 1540; filed Mar 20, 1985, 3:25 pm: 8 IR 1034; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-12 Contents of examinations; grading

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-3; IC 25-2.1-6

Sec. 12. (a) As the examination for certified public accountant applicants, the board or the board's designee shall use the Uniform CPA examination which is given in May and November of each calendar year and prepared by the AICPA under a plan of cooperation with the boards of all states and territories of the United States. The examination consists of the following parts:

- (1) Auditing.
- (2) Business Law and Professional Responsibilities.
- (3) Financial Accounting and Reporting.
- (4) Accounting and Reporting—taxation, managerial and governmental, and not-for-profit organizations.

(b) The board or the board's designee shall use the Advisory Grading Service provided by the AICPA under a plan of cooperation with the boards of all states and territories of the United States to assist it in performing its duties under IC 25-2.1.

(c) A passing grade of seventy-five percent (75%) or more for each subject is required.

(d) For the purposes of section 19 of this rule, for conditioned candidates reexamination requirements, those applicants who prior to the May 1994 examination had credit for:

- (1) passing Auditing shall have credit for Auditing;
- (2) passing Commercial Law shall have credit for passing Business Law and Professional Responsibilities;
- (3) passing Theory of Accounts shall have credit for passing Financial Accounting and Reporting; and
- (4) passing Accounting Practice (two (2) parts) shall have credit for passing Accounting and Reporting.

(e) As the examination for accounting practitioners, the board or the board's designee shall use the Accounting and Reporting section of the Uniform CPA examination given in May and November of each calendar year and prepared by the AICPA.

(f) The board or the board's designee may also make use of the Advisory Grading Service provided by the AICPA to assist in performing its duties under IC 25-2.1. A passing grade of seventy-five percent (75%) or more is required. (*Indiana Board of Accountancy; Rule 69-1, 12; filed Jun 30, 1978, 9:54 a.m.: 1 IR 397; filed May 1, 1984, 12:50 p.m.: 7 IR 1540; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1034; filed Aug 28, 1986, 3:20 p.m.: 10 IR 66; filed Apr 5, 1994, 3:30 p.m.: 17 IR 1888; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-13 Issuance of C.P.A. certificate or A.P. license (Repealed)

Sec. 13. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1044; errata, 8 IR 1046*)

872 IAC 1-1-14 Time of holding examinations; notice

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1

Sec. 14. Time of Holding Examinations. Examinations are held in May and November of each year.

Written notice of the exact dates for examinations shall be mailed to each person who has on file an approved application to sit for the CPA examination. (*Indiana Board of Accountancy; Rule 69-1,14; filed Jun 30, 1978, 9:54 am: 1 IR 398; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-15 Examination hours (Repealed)

Sec. 15. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1044; errata, 8 IR 1046*)

872 IAC 1-1-16 Location of examinations (Repealed)

Sec. 16. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1044; errata, 8 IR 1046*)

872 IAC 1-1-17 Examination procedures

Authority: IC 25-2.1-2-15
Affected: IC 25-2.1

Sec. 17. (a) Before admission to the examination room the candidate must have personal identification (such as a driver's license, service identification, passport, or other identification sufficient to identify the candidate). Each candidate will receive from the board or the board's designee a letter containing the candidate's examination identification number which must be presented for admission to the examination.

(b) Under no circumstances shall a candidate's name, initials, or any identifying mark, other than the assigned number, be placed on any of the examination papers by the applicant. Failure to comply with this requirement shall be deemed misconduct sufficient for rejecting the candidate's papers.

(c) Answers must be submitted on blanks furnished by the board or the board's designee and must be completed in the total time allotted for each subject.

(d) Stationery and supplies furnished by the board or the board's designee shall remain its property and must be returned whether used or not.

(e) Reference by any candidate during the examination to books or other material or the exchange of information with other persons shall be considered misconduct sufficient to disqualify the candidate.

(f) The only aids candidates are permitted to bring into the examination room are pencils and erasers furnished by the candidate. (*Indiana Board of Accountancy; Rule 69-1,17; filed Jun 30, 1978, 9:54 a.m.: 1 IR 398; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1929; filed May 1, 1984, 12:50 p.m.: 7 IR 1541; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1035; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2346; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-18 Refunding of examination and proctoring fees (Repealed)

Sec. 18. (*Repealed by Indiana Board of Accountancy; filed Aug 28, 1986, 3:20 pm: 10 IR 72*)

872 IAC 1-1-19 Certified public accountants; passing grades; conditioned candidates; reexaminations

Authority: IC 25-2.1-2-15
Affected: IC 25-2.1-3-6

Sec. 19. (a) This section applies to examinations of candidates. The examination papers shall be graded on the scale of 100. The passing grade in each subject is 75.

(b) A candidate must take all subjects at one (1) sitting until the candidate becomes a conditioned candidate or passes all subjects.

(c) IC 25-2.1-3-6 states the requirements for a candidate to achieve conditioned status (receive credit for passing two (2) or three (3) sections of the examination).

(d) If, on reexamination, the candidate fails to pass the remaining subject or subjects within the time provided for reexamination of candidates having a conditioned standing, such candidate shall revert to the status of a new applicant and shall be required to file a new application and write the entire examination. (*Indiana Board of Accountancy; Rule 69-1, 19; filed Jun 30, 1978, 9:54 a.m.: 1 IR 398; filed Feb 15, 1980, 3:05 p.m.: 3 IR 640; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1929; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1036; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2346; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-20 Accounting practitioners; passing grades; conditioned candidates; reexaminations (Repealed)

Sec. 20. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

872 IAC 1-1-21 Disclosure of grades (Repealed)

Sec. 21. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

872 IAC 1-1-22 Reexamination

Authority: IC 25-2.1-2-15
Affected: IC 25-2.1

Sec. 22. A candidate who has failed in one (1) or more subjects may be reexamined by filing a reexamination application. If the period from date of original application is in excess of three (3) years, not including any period spent in the armed forces of the United States or if the candidate has conditioned status under 872 IAC 1-1-19 the candidate must file a new application with all supporting documentation required when filing an original application. (*Indiana Board of Accountancy; Rule 69-1,22; filed Jun 30, 1978, 9:54 am: 1 IR 399; filed May 1, 1984, 12:50 pm: 7 IR 1542; filed Mar 20, 1985, 3:25 pm: 8 IR 1036; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-23 Disposition of examination manuscripts

Authority: IC 25-2.1-2-15
Affected: IC 5-15-5.1; IC 25-2.1

Sec. 23. As soon as the examination is completed the Board or the Board's designee shall send all examination manuscripts to the grading organization.

The Board or the Board's designee may in its discretion require destruction of examination papers six (6) months after the examination pursuant to procedures under PL 58 IC 5-15-5.1. (*Indiana Board of Accountancy; Rule 69-1,23; filed Jun 30, 1978, 9:54 am: 1 IR 400; filed May 1, 1984, 12:50 pm: 7 IR 1542; filed Mar 20, 1985, 3:25 pm: 8 IR 1037; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-24 Previous examination questions (Repealed)

Sec. 24. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

872 IAC 1-1-25 Transfer of credits

Authority: IC 25-2.1-2-15
Affected: IC 25-2.1-3-7

Sec. 25. An applicant for a CPA certificate who has written the Uniform CPA examination under the jurisdiction of another state may be given credit for subjects passed as provided for by IC 25-2.1-3-7. (*Indiana Board of Accountancy; Rule 69-1, 25; filed Jun 30, 1978, 9:54 a.m.: 1 IR 400; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1930; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1037; filed Aug 28, 1986, 3:20 p.m.: 10 IR 66; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2347; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-26 Critique program (Repealed)

Sec. 26. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

872 IAC 1-1-27 Biennial registration; fees; notice of change in registered partnership or corporation (Repealed)

Sec. 27. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

872 IAC 1-1-28 Certificate, etc., property of board; return upon revocation or suspension (Repealed)

Sec. 28. (*Repealed by Indiana Board of Accountancy; filed Feb 25, 1997, 12:30 p.m.: 20 IR 1737*)

872 IAC 1-1-29 Duplicate certificate or license; fee

Authority: IC 23-1.5-2-9; IC 25-2.1-2-15
Affected: IC 25-2.1

Sec. 29. Any licensee whose certificate or license has been inadvertently destroyed may receive another certificate or license from this board upon submission of a written request in affidavit form, certifying that the original has been lost, stolen, or destroyed together with payment of the applicable fee. If an original certificate or license has been damaged it may be replaced upon payment of the same fee provided the damaged certificate or license is returned to the board. (*Indiana Board of Accountancy; Rule 69-1, 29; filed Jun 30, 1978, 9:54 am: 1 IR 401; filed Mar 20, 1985, 3:25 pm: 8 IR 1037; filed Aug 28, 1986, 3:20 pm: 10 IR 67; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-30 Disciplinary action against APs; preparing or rendering opinions

Authority: IC 25-2.1-2-15

Affected: IC 23-1.5; IC 25-2.1

Sec. 30. Any certificate, license, or permit to practice issued by the board to an AP may be subject to disciplinary action for preparing or rendering the following:

- (1) Opinions on financial statements.
- (2) Schedules.
- (3) Reports.
- (4) Exhibits for:
 - (A) publication;
 - (B) credit purposes;
 - (C) use in court of law or equity; or
 - (D) other purposes.

(*Indiana Board of Accountancy; Rule 69-1, 30; filed Jun 30, 1978, 9:54 a.m.: 1 IR 401; filed Feb 15, 1980, 3:05 p.m.: 3 IR 640; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1931; filed May 1, 1984, 12:50 p.m.: 7 IR 1543; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1037; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2347; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-1-31 Reciprocity requirements (Repealed)

Sec. 31. (*Repealed by Indiana Board of Accountancy; filed Dec 4, 1989, 4:40 p.m.: 13 IR 635*)

872 IAC 1-1-32 Reciprocity application (Repealed)

Sec. 32. (*Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046*)

872 IAC 1-1-33 Reciprocity fees (Repealed)

Sec. 33. (*Repealed by Indiana Board of Accountancy; filed Aug 28, 1986, 3:20 pm: 10 IR 72*)

872 IAC 1-1-34 Qualifications for certificate by reciprocity (Repealed)

Sec. 34. (*Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352*)

872 IAC 1-1-35 Accountancy corporation subject to law and regulations (Repealed)

Sec. 35. (*Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352*)

872 IAC 1-1-36 Name of accountancy corporation; prohibitions (Repealed)

Sec. 36. (*Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352*)

872 IAC 1-1-37 Security for claims against corporation (Repealed)

Sec. 37. (Repealed by Indiana Board of Accountancy; filed Nov 28, 1988, 5:32 p.m.: 12 IR 924)

872 IAC 1-1-38 Reports by accountancy corporations (Repealed)

Sec. 38. (Repealed by Indiana Board of Accountancy; filed Nov 28, 1988, 5:32 p.m.: 12 IR 924)

Rule 2. Code of Professional Conduct

872 IAC 1-2-1 Rules of professional conduct; applicability

Authority: IC 25-2.1-2-15

Affected: IC 4-22-2; IC 23-1.5; IC 25-1-11-12; IC 25-2.1

Sec. 1. (a) In the interpretation and enforcement of this rule, the board will give consideration, but not necessarily dispositive weight, to relevant interpretations, rulings, and opinions issued by the boards of other jurisdictions and by appropriately authorized committees on ethics of professional organizations.

(b) No licensee of the board shall violate the following standards for the competent practice of accounting appropriate to establish and maintain a high standard of integrity and dignity in the profession of public accountancy, which are incorporated by reference as if fully set out in this rule:

(1) The following pronouncements on professional standards set forth in the AICPA Professional Standards, Volumes 1 and 2 (June 1, 1999), subject to the exceptions listed in subsection (c) (applicable to certified public accountants only):

(A) Code of Professional Conduct.

(B) Statements on Auditing Standards.

(C) Statements on Standards for Attestation Engagements.

(D) Statements on Standards for Accounting and Review Services.

(E) Statement on Standards for Consulting Services.

(2) Professional corporation act at IC 23-1.5.

(3) National Society of Accountants (NSA) Rules of Professional Conduct, 1998, excluding the interpretations and Rule 12 (referrals) (applicable to accounting practitioners and public accountants only).

(c) As incorporated by reference in subsection (b)(1), the AICPA professional standards is amended to read as follows:

(1) ET 50 (Principles of Professional Conduct) is deleted.

(2) The third paragraph of Rule 505 (Form of Organization and Name) is deleted.

(3) The phrase "standards promulgated by bodies designated by Council", or any similar reference, shall mean the standards incorporated by reference in subsection (b)(1).

(d) Notwithstanding the use of the word "should" in the AICPA pronouncements incorporated by reference in subsection (b)(1)(B) through (b)(1)(E), a certified public accountant must comply with the pronouncements or must justify any departures therefrom.

(e) It shall be deemed incompetent practice contrary to high standards of integrity and dignity in the profession of certified public accountancy for a licensee of the board to be found by a court of competent jurisdiction to have engaged in accounting practices falling below professional standards in Indiana.

(f) As used in this rule, "member", as used in the AICPA Professional Standards and the NSA Rules of Professional Conduct, means licensee.

(g) Where matters incorporated by reference in this section conflict with express provisions of:

(1) IC 25-2.1 (accountancy act);

(2) IC 23-1.5 (professional corporation act); or

(3) rules adopted by the board;

the express provisions control.

(h) No subsequent editions, amendments, supplements, or releases of the AICPA Professional Standards or the NSA Rules of Professional Standards or the NSA Rules of Professional Conduct will be in effect in Indiana or adopted by the board, except by following the rulemaking provisions of IC 4-22-2.

(i) The standards incorporated by reference in subsection (b) apply to conduct that occurs after January 31, 2001. This subsection shall not be construed to extinguish the board's authority to impose any sanction under IC 25-1-11-12 for conduct that

occurred before February 1, 2001, in violation of a previous version of this section.

(j) A copy of the AICPA Professional Standards and the NSA Rules of Professional Conduct are available for public inspection at the offices of the Indiana Professional Licensing Agency, 302 West Washington Street, Room E034, Indianapolis, Indiana 46204. Copies of the AICPA Professional Standards are available from the entity originally issuing the document, the American Institute of Certified Public Accountants, 1211 Avenue of the Americas, New York, New York 10036-8775. Copies of the NSA Rules of Professional Conduct are also available from the entity originally issuing the document, the National Society of Accountants, 1010 North Fairfax Street, Alexandria, Virginia 22314. (*Indiana Board of Accountancy; Rule 69-1, 39; filed Jun 30, 1978, 9:54 a.m.: 1 IR 402; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1932; filed May 1, 1984, 12:50 p.m.: 7 IR 1544; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1040; filed Aug 28, 1986, 3:20 p.m.: 10 IR 68; filed Dec 11, 1992, 5:00 p.m.: 16 IR 1399; filed Feb 24, 1997, 4:00 p.m.: 20 IR 1736; filed Dec 18, 2000, 9:27 a.m.: 24 IR 1353, eff Feb 1, 2001; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-2-2 Definitions (Repealed)

Sec. 2. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

872 IAC 1-2-2.1 Records furnished to clients

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1

Sec. 2.1. A licensee shall furnish to his client or former client, upon request made within a reasonable time:

(1) any accounting or other records belonging to, or obtained from or on behalf of, the client which the licensee removed from the client's premises or received for the client's account, but the licensee may make and retain copies of such documents when they form the basis for work done by him; and

(2) a copy of the licensee's working papers, to the extent that such working papers include records which would ordinarily constitute part of the client's books and records are not otherwise available to the client.

(*Indiana Board of Accountancy; 872 IAC 1-2-2.1; filed May 1, 1984, 12:50 pm: 7 IR 1545; filed Mar 20, 1985, 3:25 pm: 8 IR 1041; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-2-3 Independence (Repealed)

Sec. 3. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

872 IAC 1-2-4 Integrity and objectivity (Repealed)

Sec. 4. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

872 IAC 1-2-5 Commissions (Repealed)

Sec. 5. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

872 IAC 1-2-6 Contingent fees (Repealed)

Sec. 6. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

872 IAC 1-2-7 Incompatible occupations (Repealed)

Sec. 7. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

872 IAC 1-2-8 Competence (Repealed)

Sec. 8. (*Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934*)

872 IAC 1-2-9 Auditing standards (Repealed)

Sec. 9. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

872 IAC 1-2-10 Accounting principles (Repealed)

Sec. 10. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

872 IAC 1-2-11 Forecasts (Repealed)

Sec. 11. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

872 IAC 1-2-12 Confidential client information (Repealed)

Sec. 12. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

872 IAC 1-2-13 Records furnished to client (Repealed)

Sec. 13. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

872 IAC 1-2-14 Discreditable acts (Repealed)

Sec. 14. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

872 IAC 1-2-15 Acting through others (Repealed)

Sec. 15. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

872 IAC 1-2-16 Advertising (Repealed)

Sec. 16. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983, 3:20 pm: 6 IR 1934)*

872 IAC 1-2-17 Solicitation (Repealed)

Sec. 17. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983; 3:20 pm: 6 IR 1934)*

872 IAC 1-2-18 Communications with board (Repealed)

Sec. 18. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983; 3:20 pm: 6 IR 1934)*

872 IAC 1-2-19 Violation of acts or rules and regulations (Repealed)

Sec. 19. *(Repealed by Indiana Board of Accountancy; filed Aug 18, 1983; 3:20 pm: 6 IR 1934)*

872 IAC 1-2-20 Contingent fees (Repealed)

Sec. 20. *(Repealed by Indiana Board of Accountancy; filed Dec 18, 2000, 9:27 a.m.: 24 IR 1354, eff Feb 1, 2001)*

872 IAC 1-2-21 Interpretation of contingent fees in tax matters (Repealed)

Sec. 21. *(Repealed by Indiana Board of Accountancy; filed Dec 18, 2000, 9:27 a.m.: 24 IR 1354, eff Feb 1, 2001)*

872 IAC 1-2-22 Commissions and referral fees (Repealed)

Sec. 22. (Repealed by Indiana Board of Accountancy; filed Dec 18, 2000, 9:27 a.m.: 24 IR 1354, eff Feb 1, 2001)

Rule 3. Permits to Practice; Continuing Education

872 IAC 1-3-1 Definitions (Repealed)

Sec. 1. (Repealed by Indiana Board of Accountancy; filed Mar 20, 1985, 3:25 pm: 8 IR 1045; errata, 8 IR 1046)

872 IAC 1-3-2 Permit to practice required; practice without permit, sanctions; issuance biennially; application; expiration (Repealed)

Sec. 2. (Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352)

872 IAC 1-3-3 Continuing professional education

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 3. (a) Applicants for renewal of a certificate as a CPA, PA, or AP must complete a minimum of one hundred twenty (120) hours of instruction in subjects acceptable under section 4 of this rule. Subsection [sic., Subsections] (c) and (d) and sections 3.1 through 3.4 of this rule will apply to determine the number of hours.

(b) Measurements and reporting shall be in full hours with a fifty (50) minute instruction period equaling one (1) hour.

(c) A minimum of ten percent (10%) of the hours in the reporting period shall be in accounting or auditing, or both.

(d) A minimum of two (2) hours in the reporting period shall be in ethics for accountants.

(e) The time reporting period in which the applicant must have a minimum of one hundred twenty (120) hours is the three (3) years ending on December 31 prior to the expiration of certificates with a minimum of twenty (20) hours per year. (Indiana Board of Accountancy; Rule 69-1, 40,3; filed Feb 15, 1980, 3:05 p.m.: 3 IR 642; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1041; filed Aug 28, 1986, 3:20 p.m.: 10 IR 68; filed May 17, 1988, 3:15 p.m.: 11 IR 3567, eff Jul 1, 1988; filed Dec 4, 1989, 4:40 p.m.: 13 IR 632; filed Nov 20, 1990, 9:33 a.m.: 14 IR 758, eff Jan 1, 1991; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2348; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3935; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1654; filed Nov 20, 2000, 3:04 p.m.: 24 IR 1031; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824)

872 IAC 1-3-3.1 CPE credit for instruction

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 3.1. (a) Preparation time for the participant does not qualify for CPE credit.

(b) Actual time as lecturer, instructor, or discussion leader may be included. Two (2) hours of preparation time shall be granted to each instructor per one (1) hour of CPE allowed time for the course, provided that this credit is claimed once on the first time that the instructor conducts the course. Total time under this subsection shall be limited to fifty percent (50%) of the total minimum required for the reporting period. There will be no preparation time or actual time as a lecturer, instructor, or discussion leader granted for lecturers, instructors, or discussion leaders of a repeated course.

(c) College instructors teaching courses on a day-to-day basis will not receive any CPE credit as an instructor. (Indiana Board of Accountancy; 872 IAC 1-3-3.1; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3936; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824)

872 IAC 1-3-3.2 CPE self-study

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 3.2. Self-study courses are acceptable, provided the following:

(1) The subject matter is acceptable under section 4 of this rule.

(2) A certificate of satisfactory completion is awarded as of the end of the reporting period. The time to be included is the CPE course rating. Total time under this section is limited to fifty percent (50%) of the total minimum requirement for the reporting period.

(Indiana Board of Accountancy; 872 IAC 1-3-3.2; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3936; errata filed Jul 28, 1998, 10:59 a.m.: 21 IR 4537; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824)

872 IAC 1-3-3.3 College courses as CPE

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 3.3. (a) Credit for graduate level courses will be limited to fifty percent (50%) of the total minimum requirement for the reporting period. Credit shall be given at the rate of fifteen (15) CPE hours for each semester credit hour. CPE credit granted for these hours will be given only for a grade of C or above. Grade D or F is not considered as satisfactory completion of a course by the board.

(b) CPE credit granted to public accountants and accounting practitioners who do not hold a bachelor's degree with required hours in accounting, business administration, and economics and who are taking undergraduate courses in an accredited university or college in accounting, business administration, and economics shall be given at the rate of fifteen (15) CPE hours for each semester credit hour. CPE credit granted for these hours will be given only for a grade of C or above. Grade D or F is not considered as satisfactory completion of an undergraduate course by the board. Total time under this subsection is limited to fifty percent (50%) of the total minimum requirement for the reporting period. *(Indiana Board of Accountancy; 872 IAC 1-3-3.3; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3936; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824)*

872 IAC 1-3-3.4 Noncredit courses as CPE for public accountants and accounting practitioners

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 3.4. All noncredit courses taken by public accountants and accounting practitioners from noneducational organizations (those not accredited by one (1) of the six (6) regional accrediting associations listed in 872 IAC 1-1-6.3) shall be given credit as follows:

(1) Coaching courses taken for the purpose of passing the CPA examination, ten (10) hours.

(2) Coaching courses taken for the purpose of passing the enrolled agent's examination, ten (10) hours.

This section applies only to public accountants and accounting practitioners. *(Indiana Board of Accountancy; 872 IAC 1-3-3.4; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3937; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824)*

872 IAC 1-3-4 Course requirements

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 4. (a) For a course to qualify and be included in the CPE minimum hour requirement, it must be formally organized, primarily instructional, and contribute directly to professional competence in the practice of public accountancy. The requirements of subsection (b) must be met for a course to qualify.

(b) The following do not qualify:

(1) Meetings conducted during eating periods.

(2) Business meetings for the:

(A) election of directors or officers;

(B) treasurers' reports; or

(C) committee reports.

(3) Committee work with local, state, and national professional organizations.

(4) Firm staff meetings which are oriented toward administrative and housekeeping matters.

(c) The board may obtain assistance from state and national accounting organizations relating to interpreting the acceptability and number of CPE hours for an individual sponsor or course. *(Indiana Board of Accountancy; Rule 69-1, 40, 4; filed Feb 15, 1980,*

3:05 p.m.: 3 IR 643; filed May 1, 1984, 12:50 p.m.: 7 IR 1546; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1042; filed Aug 28, 1986, 3:20 p.m.: 10 IR 69; filed May 17, 1988, 3:15 p.m.: 11 IR 3568, eff Jul 1, 1988; filed Dec 4, 1989, 4:40 p.m.: 13 IR 633; filed Nov 20, 1990, 9:33 a.m.: 14 IR 759, eff Jan 1, 1991; filed Aug 22, 1991, 5:00 p.m.: 15 IR 8; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2349; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824)

872 IAC 1-3-5 Sponsor requirements; approval (Repealed)

Sec. 5. (Repealed by Indiana Board of Accountancy; filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655)

872 IAC 1-3-6 Application for renewal of certificate; fee

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-2; IC 25-2.1-4-5

Sec. 6. (a) Certificate holders must file triennially an application to renew their certificates using the application form provided by the board. Certificates expire on June 30 of every third year, for example, June 30, 1994, and June 30, 1997.

(b) Applicants must sign a statement under penalty of perjury that:

- (1) the hours submitted are substantially correct;
- (2) they attended and completed courses taken; and
- (3) to the best of their knowledge, the courses completed meet the requirements of this rule.

(c) The board may verify any information submitted by the applicant and may request the applicant to submit evidence supporting the course information.

(d) Each application for a permit must be accompanied by a check or money order in the amount specified in 872 IAC 1-1-10.

(e) It is the responsibility of each applicant to retain evidence to support the courses taken for seventy-two (72) months from the date the application is submitted to the board. These records shall include the following:

- (1) Course attendance verification by the sponsor.
- (2) Certificates of completion for self-study courses.
- (3) CPE attendance history by employer or third party.
- (4) Other evidence of support and justification.

(f) The board may ask certificate holders to provide information as provided in subsection (e) in order to verify the CPE hours claimed on the application. Failure to do so may lead to suspension or censure of the certificate holder. (*Indiana Board of Accountancy; Rule 69-1, 40, 6; filed Feb 15, 1980, 3:05 p.m.: 3 IR 644; filed Aug 18, 1983, 3:20 p.m.: 6 IR 1933; filed May 1, 1984, 12:50 p.m.: 7 IR 1547; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1043; filed Aug 28, 1986, 3:20 p.m.: 10 IR 70; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2350; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-3-7 Reentry into public practice; application; continuing education requirements (Repealed)

Sec. 7. (Repealed by Indiana Board of Accountancy; filed May 17, 1988, 3:15 pm: 11 IR 3571, eff Jul 1, 1988)

872 IAC 1-3-8 Certificates issued to new licensees; proration of CPE requirement

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 8. (a) When a CPA or an AP certificate is issued to a person not previously licensed by the board, that person shall not be required to have any CPE hours prior to the issuance of the certificate.

(b) The number of CPE hours that a licensee must obtain for the reporting period in progress at the time of the issuance of a new certificate under subsection (a) shall be established by section 16 of this rule.

(c) CPE hours obtained by a licensee prior to the issuance of a new certificate under subsection (a), but during the same reporting period, may be counted toward meeting the requirements established in subsection (b) and section 16 of this rule. (*Indiana Board of Accountancy; Rule 69-1, 40, 8; filed Feb 15, 1980, 3:05 p.m.: 3 IR 644; filed May 1, 1984, 12:50 p.m.: 7 IR 1548; filed Mar 20, 1985, 3:25 p.m.: 8 IR 1044; filed Aug 28, 1986, 3:20 p.m.: 10 IR 71; filed May 17, 1988, 3:15 p.m.: 11 IR 3568, eff Jul 1, 1988; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2350; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-3-9 Exemptions from continuing professional education requirements; applications (Repealed)

Sec. 9. *(Repealed by Indiana Board of Accountancy; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352)*

872 IAC 1-3-10 Failure to meet minimum hour requirement (Repealed)

Sec. 10. *(Repealed by Indiana Board of Accountancy; filed May 17, 1988, 3:15 pm: 11 IR 3571, eff Jul 1, 1988)*

872 IAC 1-3-11 Continuing education administrative committee; powers and duties (Repealed)

Sec. 11. *(Repealed by Indiana Board of Accountancy; filed May 1, 1984, 12:50 pm: 7 IR 1549)*

872 IAC 1-3-12 Failure to apply for permit (Repealed)

Sec. 12. *(Repealed by Indiana Board of Accountancy; filed Aug 28, 1986; 3:20 pm: 10 IR 72)*

872 IAC 1-3-13 Effective dates (Repealed)

Sec. 13. *(Repealed by Indiana Board of Accountancy; filed May 1, 1984, 12:50 pm: 7 IR 1549)*

872 IAC 1-3-14 Reactivation of lapsed certificate

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 14. (a) An individual whose certificate has lapsed for more than eighteen (18) months who wishes to reenter the practice of accountancy must file an application to renew the lapsed certificate. An individual whose certificate has lapsed for eighteen (18) months or less is governed by section 17 of this rule.

(b) The application shall be accompanied by the following:

(1) A statement of the licensee's employment activity for the previous twenty-four (24) months.

(2) The payment of the fee for a triennial permit specified in 872 IAC 1-1-10.

(3) Evidence of the completion of the CPE hours required by subsection (c).

(c) In order to reenter the practice of public accountancy and receive a certificate under this section, a licensee shall complete one hundred twenty (120) CPE hours prior to filing the application.

(d) The CPE hours required under subsection (c) must:

(1) have been obtained no earlier than three (3) years prior to the date the application for reentry is filed; and

(2) meet the requirements established in sections 3 through 5 of this rule [872 IAC 1-3-5 was repealed filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655].

For purposes of this section, the reporting period referenced in section 5 of this rule [872 IAC 1-3-5 was repealed filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655.] shall be the period described in subdivision (1). *(Indiana Board of Accountancy; 872 IAC 1-3-14; filed May 17, 1988, 3:15 p.m.: 11 IR 3569, eff Jul 1, 1988; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2351; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3937; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824)*

872 IAC 1-3-14.5 Reactivation of inactive license

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 14.5. (a) A licensee who:

(1) is not active because of the selection of inactive status under IC 25-2.1-4-5(c); and

(2) wishes to reactivate his certificate;

must file an application for reactivation.

(b) The application shall be accompanied by evidence of completion of the CPE hours required in subsection (c).

(c) In order to activate the certificate, a licensee shall complete one hundred twenty (120) CPE hours prior to filing the application.

(d) The CPE hours required under subsection (c) must:

- (1) have been obtained no earlier than three (3) years prior to the date the application for reentry is filed; and
- (2) meet the requirements established in sections 3 through 5 of this rule [872 IAC 1-3-5 was repealed filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655].

For purposes of this section, the reporting period referenced in section 5 of this rule [872 IAC 1-3-5 was repealed filed Feb 21, 2000, 7:06 a.m.: 23 IR 1655.] shall be the period described in subdivision (1).

(e) CPE hours obtained by a licensee to reactivate an inactive license cannot be double counted by also using them for credit in the reporting period in progress for renewal of the license at the end of the reporting period. The CPE requirements for the reporting period in progress at the time of reactivation are stated in section 16 of this rule. (*Indiana Board of Accountancy; 872 IAC 1-3-14.5; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3937; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-3-15 Continuing education hours required during current reporting period after reentry

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 15. (a) The number of CPE hours that a certificate holder must obtain for the reporting period in progress at the time of the issuance of a certificate under section 14 of this rule shall be established by section 16 of this rule.

(b) CPE hours obtained by a certificate holder prior to the issuance of a permit under section 14 of this rule, but during the same reporting period, may be counted toward meeting the requirements established in subsection (a) and section 16 of this rule only to the extent they exceed the one hundred twenty (120) hours required under section 14 of this rule. (*Indiana Board of Accountancy; 872 IAC 1-3-15; filed May 17, 1988, 3:15 p.m.: 11 IR 3570, eff Jul 1, 1988; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2351; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-3-16 Prorated continuing education requirements for holders of certificates granted during a reporting period

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1-4-5

Sec. 16. The following table establishes the number of CPE hours that a licensee must obtain for the reporting period in progress at the time of the issuance or reactivation of a certificate under section 8, 14, or 14.5 of this rule:

Date of Issuance of Certificate	Required Hours
January 1–March 31 first year of the reporting period	120
April 1–June 30 first year of the reporting period	110
July 1–September 30 first year of the reporting period	100
October 1–December 31 first year of the reporting period	90
January 1–March 31 second year of the reporting period	80
April 1–June 30 second year of the reporting period	70
July 1–September 30 second year of the reporting period	60
October 1–December 31 second year of the reporting period	50
January 1–March 31 third year of the reporting period	40
April 1–June 30 third year of the reporting period	30
July 1–September 30 third year of the reporting period	0
October 1–December 31 third year of the reporting period	0

(*Indiana Board of Accountancy; 872 IAC 1-3-16; filed May 17, 1988, 3:15 p.m.: 11 IR 3570, eff Jul 1, 1988; errata, 11 IR 3922; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2351; filed Feb 24, 1997, 4:00 p.m.: 20 IR 1737; filed Jun 5, 1998, 3:58 p.m.: 21 IR 3938; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-3-17 Failure to meet continuing education provisions

Authority: IC 25-2.1-2-15

Affected: IC 25-1-11; IC 25-2.1-4-2; IC 25-2.1-4-5; IC 25-2.1-8

Sec. 17. (a) A certificate holder who does not obtain the required number of CPE hours during a reporting period may cure that deficiency by taking them in the next reporting period. However, the certificate shall not be renewed until the necessary hours are obtained. An individual whose license has lapsed longer than eighteen (18) months is governed by section 14 of this rule.

(b) Notwithstanding subsection (a), the board, upon application by the licensee, may renew a certificate despite failure to furnish evidence of completion of continuing education requirements on the condition the licensee follow a particular program or schedule of continuing education to be completed within a period determined by the board to be within a reasonable period of time. If the licensee fails to present proof of completion of the program or schedule, he or she shall be subject to the sanctions provided for under IC 25-1-11 and IC 25-2.1-8.

(c) CPE hours obtained to cure a deficiency in a prior reporting period shall not be double-counted by also being included in the reporting period in progress when they are obtained. (*Indiana Board of Accountancy; 872 IAC 1-3-17; filed May 17, 1988, 3:15 p.m.: 11 IR 3570, eff Jul 1, 1988; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-3-18 Board review of continuing education compliance

Authority: IC 25-2.1-2-15

Affected: IC 25-2.1

Sec. 18. (a) If, as the result of an audit or other review, the board determines that CPE hours a licensee has claimed do not meet the requirements of this rule (872 IAC 1-3), it shall notify the licensee of that determination.

(b) A licensee, who has been notified under subsection (a), may within thirty (30) days submit information to the board giving all the substantive reasons in support of his or her position that an adequate number of hours have been obtained.

(c) licensee who submits false information under 872 IAC 1-3-6 or this section shall be subject to the sanctions provided for under IC 25-2-1-13.1 [*IC 25-2 was repealed by P.L.30-1993, SECTION 8, effective January 1, 1994.*] (*Indiana Board of Accountancy; 872 IAC 1-3-18; filed May 17, 1988, 3:15 pm: 11 IR 3571, eff Jul 1, 1988; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

872 IAC 1-3-19 Permits for firms to practice accountancy

Authority: IC 25-2.1-2-15

Affected: IC 23-1.5-2-9; IC 23-1.5-2-10

Sec. 19. (a) The expiration date for permits for firms to practice accountancy issued under IC 25-2.1-5 shall be June 30 of every third year, for example, June 30, 1997, and June 30, 2000.

(b) To obtain a permit to practice under IC 25-2.1-5 does not eliminate the requirement for professional corporations to obtain and renew the certificate of registration required by IC 23-1.5-2-9 and IC 23-1.5-2-10. (*Indiana Board of Accountancy; 872 IAC 1-3-19; filed Jun 1, 1994, 5:00 p.m.: 17 IR 2352; readopted filed Jun 22, 2001, 8:57 a.m.: 24 IR 3824*)

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